

House to vote on COVID package with customer assistance, utility payroll tax credit provisions

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The House of Representatives this week is expected to vote on a massive \$1.9 trillion package of COVID-19 relief legislation (<https://budget.house.gov/news/press-releases/new-report-bill-text-budget-committee-continues-pave-way-american-rescue-plan>) that includes a number of AMWA priorities related to low-income ratepayer assistance and equitable treatment for public sector employers.

The House's COVID package (<https://www.amwa.net/article/house-covid-package-includes-water-ratepayer-assistance-municipal-revenue-aid>) contains billions of dollars aimed at helping low-income homeowners and renters pay essential bills – including water and sewer charges. The bill would also funnel \$500 million into a Low-Income Household Drinking Water and Wastewater Emergency Assistance Program that was created last year. Finally, the bill would infuse state and local government budgets with \$350 billion of additional aid to help offset costs and revenue losses associated with the pandemic. State and local governments will have the ability to use some of these funds to shore up finances at their public utilities.

Also written into the House's legislation is AMWA-backed language that will fix a component of last year's pandemic relief law that currently prevents water systems and other public sector employers from receiving federal payroll tax credits related to expanded employee leave mandates.

Last year Congress established new employee leave benefits in response to the COVID-19 pandemic and offered payroll tax credits to private sector employers to offset the associated costs. However, as enacted (<https://www.amwa.net/article/expanded-employee-leave-featured-congress-initial-response-covid-19>) the law specifically barred public sector

employers from receiving the tax credits – even though they must offer the new leave benefits to employees. AMWA joined (<https://www.amwa.net/letter/letter-congressional-leaders-employee-leave-provisions-coronavirus-response-legislation>) other organizations last year in requesting a fix.

AMWA was among the supporters of legislation (<https://schneider.house.gov/media/press-releases/sen-smith-durbin-rep-schneider-introduce-bill-help-state-local-governments>) introduced last month that would make public sector employers eligible for the payroll tax credits, and that language was included in the House Ways and Means Committee's package (<https://waysandmeans.house.gov/media-center/press-releases/chairman-neal-announces-markup-covid-19-relief-measures>) of COVID-19 legislation that will be part of the House's broader COVID relief bill.

The House is expected to vote on the overall package by the end of the week, sending it to the Senate where it will be considered under budget reconciliation rules that will allow it to circumvent the filibuster and pass with a simple majority. Assuming the Senate amends the bill along the way, it will come back to the House for final passage, which Democrats hope to achieve by mid-March.

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